

**Tennessee Soybean Promotion Board
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January 30, 2006

Mr. Kenneth R. Payne
Chief, Marketing Programs, Livestock and Seed Program
U.S. Department of Agriculture
Agriculture Marketing Service
Room 2638-S, Stop 0251
1400 Independence Avenue, SW
Washington, D.C. 20250-0251
Email soybeancomments@usda.gov

Re: Docket number LS-05-07, concerning the Soybean Promotion and Research Order (7 CFR 1220) dated on December 2, 2005 in the Federal Register, page 72257.

Dear Mr. Payne:

On behalf of the Board of Directors of the Tennessee Soybean Promotion Board I want to express our appreciation for the opportunity to address our concerns about the national soybean checkoff.

We feel that the Act and the Order are both well-written with the best intentions for the producers. However, it is in the best interest of the farmers who pay the assessments to have corrections and clarifications of the language and intent of the legislation.

1. Committee Concerns - The Coordinating Committee structure has not been utilized as included in the Act & the Order and should be deleted.
2. Minimum Assessment - The time period for the Minimum Assessment Provision should not be ambiguous in the Act and the Order. We, along with other small states that are often affected by severe weather and pest problems, have requested that USB use its fiscal year beginning in October or the crop production year beginning in September (also known as the crop marketing year) rather than the calendar year chosen in 2002 by USB. That selection came about when AMS provided parameters for the USB decision. However, at that time AMS may not have known its parameters limited the USB choice to only the calendar year methodology. We strongly recommend the USB fiscal year beginning in October be utilized.
3. Exclusion of QSSB's - The Qualified State Soybean Boards (QSSB) do not have any influence or mechanism for input to management of the national checkoff side, although the QSSB's are the entities that do the most work and are fully involved in the checkoff.

We do not operate for a profit and we work on tight budgets. Our opinions should not be ignored in decisions that fully affect our state farmers. There should be some mechanism of evaluation where our opinion has weight and consideration. (At one time the state executive directors met monthly with the USB CEO to manage problems.)

4. Director Knowledge - Each and every USB director should be apprised of the full extent of USB decisions. At no time should a director be told by a member of the Executive Committee (EC) in a full board session that the member should trust the EC decision to vote on a particular situation and that they cannot go into details before they vote.
5. Board Action - Our QSSB is requesting a full financial accounting of the costs of the acquisition of the international marketing program when completed. That includes all the costs of the closings of the ASA offices, all of the legal fees paid for acquisition, all the travel costs for farmers and staff, and all of the start up costs of the USSEC.
6. USB Cooperation - In the past USB staff has denied a request for information from our QSSB. At that time we felt it was prudent not to make a freedom of information request. There should not be any information, financial or managerial, except that in Executive Session of USB, that can not be forwarded to a QSSB about the checkoff program.
7. Hidden Agendas - Staff members should not be allowed to pursue agendas outside of the strategic plan(s) of USB. USB directors should take direct action when staff members initiate goals and directives outside USB's goals and objectives.
8. Competitive Bidding - USB should use competitive bidding for all contractors, which should be reviewed by the full board.
9. FAS Inclusion - The evaluation by the Foreign Agricultural Service should be included in the USB evaluation of the International Marketing Program.
10. Compliance Issues - When there are compliance issues between USB and the QSSB's that are brought forward to the attention of USDA/AMS, the QSSB's should also have the right to address the issues with USDA/AMS.
11. In-house Auditing - USB should not utilize in-house auditors employed by its primary contractor nor should the USB have its staff's financial package with its primary contractor. This absolutely has the odor and appearance of a conflict of interest.

Once again, we appreciate the opportunity to address our concerns about the Soybean Promotion and Research Program. We hope that our concerns will be addressed.

Sincerely,

Richard Jameson

Chairman, Tennessee Soybean Promotion Board